UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

THE HONORABLE CONSUELO B. MARSHALL, SENIOR JUDGE PRESIDING

GLOBEFILL INCORPORATED, PLAINTIFF, VS. ELEMENTS SPIRITS, INC., ET AL., DEFENDANTS.	)	NO. CV 10-2034-CBM

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MOTIONS HEARING AND SCHEDULING CONFERENCE

LOS ANGELES, CALIFORNIA

WEDNESDAY, OCTOBER 31, 2012; A.M. SESSION

PAGES 1 THROUGH 47, INCLUSIVE

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I N D E X

LOS ANGELES, CALIFORNIA; MONDAY, OCTOBER 31, 2012

10:00 A.M.

--OOO--

THE CLERK: PLEASE REMAIN SEATED AND COME TO ORDER. THIS DISTRICT COURT IS ONCE AGAIN IN SESSION.

CALLING CASE NUMBER CV 10-2034 CBM, GLOBEFILL, INCORPORATED VERSUS ELEMENTS SPIRITS, INC., ET AL.

COUNSEL, PLEASE STATE YOUR APPEARANCES FOR THE RECORD.

MS. SULLIVAN: YOUR HONOR, KELU SULLIVAN FOR GLOBEFILL, INCORPORATED. AND WITH ME AT COUNSEL TABLE IS DENNIS LOOMIS, ALSO FOR GLOBEFILL, INCORPORATED.

THE COURT: GOOD MORNING.

MR. WEINBERG: GOOD MORNING, YOUR HONOR. STEVEN WEINBERG FOR DEFENDANT ELEMENTS. AND WITH ME IS SHARONI FINKELSTEIN.

THE COURT: GOOD MORNING.

MR. MILLER: GOOD MORNING, YOUR HONOR. DO I WALK OVER THERE?

THE COURT: I'LL ALLOW YOU TO STATE YOUR APPEARANCE FROM THERE.

MR. MILLER: JON MILLER APPEARING FOR DEFENDANT KIM BRANDI.

THE COURT: GOOD MORNING.

SO THE MATTER THAT'S ACTUALLY BEFORE THE COURT

TODAY, THE MOTION, IS PLAINTIFF'S MOTION FOR JUDGMENT ON THE PLEADINGS. BUT THE PARTIES HAVE BEEN WAITING FOR THE COURT TO ISSUE ITS ORDER ON PLAINTIFF'S REQUEST FOR A PRELIMINARY INJUNCTION.

I THINK IT'S ALMOST READY TO ISSUE. I WOULD HOPE THAT IT'S GOING TO ISSUE TODAY, BUT I CAN TELL YOU WHAT THE COURT'S RULING IS.

SO THE COURT WILL BE DENYING PLAINTIFF'S REQUEST FOR PRELIMINARY INJUNCTION, AND WHAT THE ORDER WILL INDICATE, I DON'T THINK PLAINTIFF HAS MADE THE SHOWING OF A IRREPARABLE HARM. NOW, THAT COULD CHANGE AS THE CASE PROCEEDS. AND IF IT DOES, THEN, AS THE PLAINTIFF DEEMS APPROPRIATE, IT COULD RAISE THIS ISSUE WITH THE COURT AGAIN.

BUT THAT IS THE COURT'S POSITION AT THIS POINT, AND THE ORDER WOULD BE CONSISTENT WITH THAT.

SO LET'S GO NOW TO THE MOTION FOR JUDGMENT ON THE PLEADINGS, AND I HAVE A COUPLE OF QUESTIONS OF BOTH SIDES.

SO THE FIRST QUESTION OF THE PLAINTIFF IS WOULD THIS COURT'S ORDERS DISMISSING THE COMPLAINT HAVE BEEN BUT-FOR MATERIAL TO THE TRADEMARK OFFICE'S ANALYSIS OR OUTCOME IF THE NINTH CIRCUIT HAD AFFIRMED RATHER THAN REVERSED?

SO THE REASON THAT THE COURT RAISES THIS IS -- IF THE COURT UNDERSTANDS THE DEFENDANT'S FIRST COUNTERCLAIM THAT'S THE SUBJECT OF THIS MOTION -- DEFENDANT SAYS THERE'S

FRAUD, THAT PLAINTIFF HAD A DUTY TO REPORT TO THE TRADEMARK OFFICE THE RULING OF THIS COURT AND, I SUPPOSE, THE RULING OF NINTH CIRCUIT AS WELL, AND PLAINTIFF FAILED TO DO THAT AND THAT THAT WAS INTENTIONAL. IT'S A CONCEALMENT. IT SUPPORTS FRAUD.

SO I'LL SAY TO THE PARTIES I THINK THAT THE ALLEGATIONS ARE FINE. SO I DON'T LOOK AT THIS AS THERE'S SOMETHING DEFICIENT ABOUT THE WAY THAT THE CLAIM HAS BEEN ALLEGED AS A COUNTERCLAIM AND, THEREFORE, THE COURT SHOULD EITHER DISMISS OR ENTER JUDGMENT.

SO THE FOCUS HERE IS WAS THERE A DUTY OR DID THE PLAINTIFF HAVE A RESPONSIBILITY TO DISCLOSE THE ORDERS THAT HAVE BEEN ISSUED.

SO THE WAY I PHRASE THIS QUESTION IS:

IF THE CIRCUIT HAD AFFIRMED RATHER THAN REVERSED, WOULD THIS COURT'S ORDER HAVE BEEN BUT-FOR MATERIAL TO THE TRADEMARK OFFICE'S ANALYSIS?

MS. SULLIVAN: YOUR HONOR, HAD THE NINTH CIRCUIT AFFIRMED THIS COURT'S DECISION, UNDER THE TRADEMARK OFFICE'S RULE, THAT MAY HAVE BEEN BUT-FOR MATERIAL.

HOWEVER, THE DEFENDANT HERE DID NOT ACTUALLY PROVIDE ANY BASIS UPON WHICH GLOBEFILL HAD A DUTY TO DISCLOSE AND TO AMEND THE DECLARATION.

THE PLEADING THE DEFENDANT ELEMENTS SPIRITS HAS STATED HERE WAS THAT GLOBEFILL HAD A DUTY TO CORRECT ITS

DECLARATION, WHICH SAID THAT HE OR SHE BELIEVES THE APPLICANT TO BE THE OWNER OF THE TRADEMARK OR SERVICE MARK SOUGHT TO BE REGISTERED; TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEF, NO OTHER PERSON, FIRM, OR CORPORATION OR ASSOCIATION HAS THE RIGHT TO USE THE MARK IN COMMERCE.

HE DID NOT -- THAT IS WHAT HE IS SEEKING, THAT WE DID NOT AMEND THAT DECLARATION.

FURTHERMORE, THE FEDERAL CIRCUIT, IN IN RE BOSE, WHICH WAS A FRAUD CASE --

THE COURT: AND I THINK YOUR POSITION IS YOU HAD NO DUTY OR OBLIGATION TO AMEND THE DECLARATION.

MS. SULLIVAN: CORRECT. WE DON'T BELIEVE WE HAD THAT AFFIRMATIVE DUTY TO MAKE THAT AMENDMENT TO THE DECLARATION. AND WE BASE THIS ON IN RE BOSE -- THE FEDERAL CIRCUIT'S RULING IN RE BOSE, WHICH WAS A FRAUD CASE IN 2009 THAT EMPHASIZED THAT ANY DUTY OWED BY AN APPLICANT FOR TRADEMARK REGISTRATION MUST ARISE OUT OF THE STATUTORY REQUIREMENT OF THE LANHAM ACT.

AND THAT HAS NOT BEEN STATED BY ELEMENTS IN ITS PLEADING OR IN ITS BRIEFS TO STATE THAT WE EVEN HAVE AN AFFIRMATIVE DUTY.

BUT ON TOP OF THAT, THE NINTH CIRCUIT DID NOT AFFIRM THIS COURT'S DECISION. IT DID REVERSE THE DECISION. SO THAT'S NOT UP FOR SPECULATION. AND ONCE THAT DECISION HAS BEEN REVERSED, IT IS NO LONGER MATERIAL TO WHETHER THE

P.T.O. WOULD HAVE ISSUED GLOBEFILL'S REGISTRATION.

IT, IN FACT, REVERSED. AND ONCE THAT REVERSAL DECISION HAS COME OUT, GLOBEFILL'S REGISTRATION WOULD HAVE ISSUED WITHOUT ANY QUESTION.

THE COURT: AND SO IT'S CLEAR THAT THE CIRCUIT DIDN'T AFFIRM, BUT YET MY QUESTION IS WHAT YOUR POSITION WOULD BE HAD THE DECISION GONE THE OTHER WAY.

MS. SULLIVAN: HAD THE DECISION GONE THE OTHER WAY, IT IS ACTUALLY A LITTLE BIT UNCLEAR FROM THE TRADEMARK OFFICE RULES BECAUSE THE WAY THE RULE IS WRITTEN IS THAT UNDER T.M.E.P. 1202.03 --

I'M SORRY.

-- 716.02 IS THAT THE RESOLUTION OF THE COURT ACTION -- YOU KNOW, THE EXAMINER HAS THE OPTION TO SUSPEND THE PROCEEDING PENDING THE OUTCOME OF AN APPEAL. HOWEVER, TYPICALLY A MATTER IS NOT CONSIDERED TO BE RELEVANT TO THE REGISTRABILITY OF THE TRADEMARK UNLESS IT WAS A DECISION RELATING TO A CANCELLATION OR SOME SORT OF OPPOSITION IN THAT CASE. SO IT'S NOT BECAUSE THERE WAS NO ALLEGATION OR COUNTERCLAIM AT THAT POINT IN TIME.

THIS COURT'S RULING, IF IT WERE AFFIRMED, IT'S UNCLEAR WHETHER THAT WOULD ACTUALLY BE THEN TRANSLATED TO THE P.T.O. IN TERMS OF DETERMINING WHETHER THAT IS A BUT-FOR MATERIAL AMENDMENT THAT NEEDED TO BE MADE.

AND ON TOP OF THAT, FEDERAL CIRCUIT FOLLOWS A

DIFFERENT SET OF RULES WHEN IT COMES TO UTILITARIAN FUNCTIONALITY. SO IT --

THE COURT: WELL, THAT WAS GOING TO BE MY NEXT QUESTION ABOUT FUNCTIONALITY. SO WHY DON'T I ASK THAT QUESTION, AND THEN YOU CAN RESPOND.

SO YOUR POSITION IS, I BELIEVE, THAT FUNCTIONALITY WAS NOT AN ISSUE BEFORE THE P.T.O.

MS. SULLIVAN: CORRECT.

THE COURT: AND SO MY QUESTION IS WHY WAS IT NOT AN ISSUE DURING THE EXAMINATION OF THE TRADE DRESS APPLICATION?

MS. SULLIVAN: WHEN THE EXAMINING ATTORNEY REVIEWED THE APPLICATION, THE EXAMINING ATTORNEY NEVER RAISED UTILITARIAN FUNCTIONALITY AS AN ISSUE.

AND I BELIEVE THIS IS DUE TO TWO REASONS:

ONE, THIS COURT'S DECISION IN DISMISSING GLOBEFILL'S COMPLAINT WAS ON THE BASIS OF THE RACHEL CASE, WHICH IS NOT APPLICABLE IN THE FEDERAL CIRCUIT;

AND SECOND OF ALL, THE FEDERAL CIRCUIT VIEWS FUNCTIONALITY -- THEY FOLLOW THE SUPREME COURT DECISIONS ON FUNCTIONALITY AS WELL, AND THE EXAMINER DID NOT FEEL THAT A SKULL-SHAPED BOTTLE FOR USE IN ASSOCIATION WITH VODKA SERVES ANY UTILITARIAN FUNCTIONALITY.

AND AS A RESULT, THAT WAS NEVER A REJECTION RAISED BY THE EXAMINING ATTORNEY.

THE COURT: ALL RIGHT. ANYTHING ELSE THAT YOU WISH TO PLACE ON THE RECORD IN SUPPORT OF THE MOTION?

MS. SULLIVAN: WOULD YOU LIKE FOR US TO ADDRESS ON THE ISSUE OF SECONDARY MEANING?

THE COURT: NO, NOT AT THIS POINT. I THINK IT'S BEEN ADDRESSED ADEQUATELY IN THE PAPERS.

SO THESE WERE THE QUESTIONS THAT I FOCUSED ON, BUT I JUST WANTED TO BE CLEAR WHAT THE PARTIES' POSITIONS WERE.

MS. SULLIVAN: WE WOULD LIKE TO RESERVE TIME FOR REBUTTAL, IF NECESSARY. THANK YOU.

THE COURT: SURE.

FOR THE DEFENDANTS -- AND CERTAINLY YOU MAY RESPOND, IF YOU WISH, TO THE PLAINTIFF'S RESPONSE TO THE COURT'S QUESTIONS, BUT I DO HAVE A COUPLE OF QUESTIONS FOR THE DEFENDANT AS WELL.

SO THE FIRST ONE IS WHAT IS THE SPECIFIC AUTHORITY -- OR WHAT SPECIFIC AUTHORITY HOLDS THAT PLAINTIFF HAD A DUTY TO PROVIDE THIS COURT'S DISMISSAL ORDER TO THE TRADEMARK OFFICE?

AND THE SECOND QUESTION IS IS IT YOUR CONTENTION THAT THE NINTH CIRCUIT LEFT OPEN THE POSSIBILITY THAT THE SKULL BOTTLES ARE PRODUCT DESIGN RATHER THAN TRADE DRESS MATERIAL IN THE FORM OF PACKAGE DESIGN?

MR. WEINBERG: THANK YOU, YOUR HONOR.

YES, WHY DON'T I ADDRESS THE TWO QUESTIONS THAT

YOU JUST ASKED ME, AND THEN I CAN ADDRESS THE QUESTIONS THAT YOU ADDRESSED TO THE PLAINTIFF.

ON THE QUESTION OF WHAT THE SPECIFIC AUTHORITY IS, WHEN THIS COURT HELD THAT THE TRADE DRESS IN ISSUE, THE SAME TRADE DRESS THAT WAS BEING CONSIDERED FOR REGISTRATION BEFORE THE TRADEMARK OFFICE, WAS FUNCTIONAL. THAT MEANT THAT AN ARTICLE III COURT, A DISTRICT COURT, THIS COURT, HAD RULED THAT AS A MATTER OF LAW THE TRADE DRESS DESIGN WAS NOT PROTECTABLE.

AND THE AUTHORITY WE CITE IN OUR BRIEF IS THAT AN ARTICLE III COURT'S DECISION IS ABSOLUTELY AND TOTALLY BINDING ON THE TRADEMARK OFFICE. IT SAYS SO IN THE T.M.E.P., IT SAYS SO IN THE CASES.

AND SO JUST TO PUT THIS IN CONTEXT FOR YOUR HONOR, THE FRAUD THAT'S ALLEGED HERE IS NOT SOME LOW-LEVEL FRAUD. THIS IS A HUGE ISSUE OF FRAUD. IT'S PROBABLY -- AND I'M NOT EXAGGERATING. THIS IS PROBABLY THE MOST SIGNIFICANT CASE OF FRAUD THAT HAS BEEN BEFORE THE TRADEMARK OFFICE AND THE COURTS RELATING TO TRADEMARKS IN QUITE SOME TIME.

AND BEFORE I SAY THAT, LET ME ALSO SAY ONE OTHER THING. OH, I'LL GET TO THAT. I WAS GOING TO SAY THERE IS NO BUT-FOR TEST IN TRADEMARK LAW, AND I'LL GET INTO THAT IN A MOMENT.

WHAT HAPPENED HERE IS THAT THIS PLAINTIFF IN THIS CASE WHERE IT WAS SEEKING PROTECTION OF ITS TRADE DRESS FROM

THIS COURT AND TRYING TO ENFORCE IT AGAINST THIS DEFENDANT, WENT TO THE TRADEMARK OFFICE LOOKING TO GET REGISTRATION, A WEAPON, TO USE AGAINST THE DEFENDANTS IN THIS CASE.

IT WAS TOLD BY THE TRADEMARK OFFICE THAT IT WOULD NOT REGISTER THAT TRADE DRESS BECAUSE IT WAS ORNAMENTAL AND REQUIRED SECONDARY MEANING.

THEN THIS COURT RENDERED ITS DECISION, HOLDING THAT THE TRADE DRESS WAS FUNCTIONAL. AS A MATTER OF LAW, THAT PUT AN ABSOLUTE BAN AND PROHIBITION ON THIS PLAINTIFF FROM SEEKING FURTHER PROTECTION FROM THE TRADEMARK OFFICE OR FROM THE TRADEMARK OFFICE IN GIVING IT PROTECTION.

THEN COUNSEL FOR THE PLAINTIFF HAD A SERIES OF COMMUNICATIONS WITH THE TRADEMARK OFFICE, INCLUDING A PHONE CALL.

AND WHAT HAPPENED THEN IS THE TRADEMARK OFFICE ON THAT SAME DAY, FOR WHATEVER REASONS --

WE DON'T KNOW BECAUSE IT'S REMAINED A MYSTERY. THAT'S ONE OF THE AREAS OF FACT THAT WE WANT TO SEEK THROUGH DISCOVERY.

-- THE TRADEMARK OFFICE SUDDENLY DECIDED THAT IT WAS REGISTRABLE.

NOW, WHAT THAT MEANS IS THAT A DISCLOSURE WAS NOT MADE TO THE TRADEMARK OFFICE REGARDING THIS COURT'S BINDING DECISION HOLDING THAT, AS A MATTER OF LAW, THE TRADE DRESS WAS NOT PROTECTABLE.

AND THE JUSTIFICATION, THE ARGUMENT THAT GLOBEFILL GIVES THAT IT HAD A GOOD FAITH BELIEF THAT ITS APPEAL MIGHT WIN IS NOT A JUSTIFICATION AT ALL. IT'S LIKE SAYING, "I CAN VIOLATE A PRELIMINARY INJUNCTION ORDER THAT I'VE APPEALED BECAUSE I THINK THAT I CAN WIN IT ON APPEAL."

WELL, THE FACT OF THE MATTER IS THAT'S NOT JUSTIFICATION, THAT'S CONTEMPT. AND IT'S NO DIFFERENT HERE.

WHATEVER MAY HAVE BEEN THE OUTCOME OF THE NINTH CIRCUIT APPEAL, THE LAW OF THE CASE AS IT AFFECTED THIS TRADE DRESS WAS YOUR DECISION HOLDING THE TRADE DRESS TO BE FUNCTIONAL.

AND BECAUSE THAT WAS NOT DISCLOSED TO THE TRADEMARK OFFICE, AS IT SHOULD HAVE BEEN, THE TRADEMARK OFFICE ULTIMATELY ALLOWED THE REGISTRATION TO GO THROUGH; AND THAT REGISTRATION, AS YOU HAVE NOW WITNESSED IN THIS CASE, IS BEING USED JUST AS THAT WEAPON THAT THE PLAINTIFFS WERE AFTER.

THEY USED IT ON A PRELIMINARY INJUNCTION HEARING MOTION, AND NOW THEY'RE USING IT NOW SAYING THAT WE HAVE ALL KINDS OF PRESUMPTIONS TO OVERCOME, WHICH IS A MATTER THAT I DON'T HAVE TO ADDRESS BECAUSE IT REALLY AFFECTS THE SECOND PART OF THE CLAIM.

SO GETTING RIGHT TO THE POINT AGAIN, THE AUTHORITY IS, IN FACT, THAT THIS IS AN ARTICLE III COURT; IT'S BINDING ON THE TRADEMARK OFFICE --

THE COURT: AND THE AUTHORITY, THEN, COMES FROM CASE LAW?

MR. WEINBERG: CASE LAW AND --

THE COURT: RULES AND REGULATIONS OF THE TRADEMARK OFFICE?

MR. WEINBERG: YES.

THE COURT: THAT'S WHAT I WAS LOOKING FOR.

MR. WEINBERG: YES. IT'S A RULE AND REGULATION OF THE TRADEMARK OFFICE, WHICH WE HAVE REFERRED TO IN OUR OPPOSITION BRIEF, AND IT IS ALSO THE LAW THAT -- AND *"MCCARTHY ON TRADEMARKS."* I MEAN, IT'S NOT EVEN A DISPUTED LAW. IT'S ABSOLUTELY THE LAW.

IN TERMS OF WHAT THE NINTH CIRCUIT LEFT OPEN OR NOT, AGAIN, YOUR DECISION WAS THE LAW.

NOW, THE TRADEMARK OFFICE COULD HAVE DONE ANY NUMBER OF THINGS ONCE IT WAS FACED WITH YOUR DECISION.

IT COULD HAVE SAID, "YES, WE FIND THAT IT'S FUNCTIONAL, AND THEREFORE WE CANNOT REGISTER IT," OR IT COULD HAVE SAID, AS COUNSEL JUST SAID, "WE CAN SUSPEND THE CASE AND AWAIT THE DECISION OF THE NINTH CIRCUIT."

AND INTERESTINGLY ENOUGH, THE NINTH CIRCUIT DECISION, WHILE IT REVERSED ON FUNCTIONALITY, DOES LEAVE OPEN THE DOOR -- REFERRING NOW TO YOUR SECOND QUESTION -- THAT IN FACT WHAT THE TRADEMARK OFFICE DID WAS INCORRECT.

AND WHAT THE NINTH CIRCUIT -- THE NINTH CIRCUIT

DID NOT SAY, YES, THEY'RE ENTITLED TO A REGISTRATION OR, YES, THEY'RE ENTITLED TO PROTECTION.

ALL THE NINTH CIRCUIT SAID IS THIS IS FUNCTIONALITY. YOU KNOW, FUNCTIONALITY IS NO LONGER THE ISSUE.

THE COURT: THAT YOU CAN'T DECIDE AS A MATTER OF LAW.

MR. WEINBERG: EXACTLY RIGHT.

AND IT HAS TO GO -- AND YOU KNOW, HERE'S WHERE THAT WHOLE WALMART CASE COMES IN BECAUSE THIS IS NOW REALLY CRITICAL. THE WALMART CASE WAS A SUPREME COURT DECISION THAT ESTABLISHED THE MODERN LAW OF TRADE DRESS PROTECTION.

ESSENTIALLY, WHAT THE SUPREME COURT SAID IS -- AS YOU KNOW, IS THAT THERE'S PRODUCT DESIGN WHICH CANNOT BE INHERENTLY DISTINCTIVE, AND THERE IS A PACKAGING DESIGN, WHICH MIGHT BE, BUT YOU HAVE TO PROVE SECONDARY MEANING.

IN THE WALMART CASE, WHAT THE COURT SAID IS THAT IN CASES WHERE IT'S NOT CLEAR, ONE MUST DECIDE IN FAVOR OF PRODUCT DESIGN AND FORCE SECONDARY MEANING TO BE PROVEN.

AND IN FACT, THE COCA-COLA BOTTLE EXAMPLE THAT WAS USED BY THE SUPREME COURT IN THAT CASE IS EXACTLY RIGHT ON FOR WHAT HAPPENED HERE.

THE SUPREME COURT HAS SAID THAT IF YOU HAVE A BOTTLE DESIGN WHERE PEOPLE ARE COLLECTING THEM AND TRADING THEM AND, ESSENTIALLY, BUYING THE BOTTLE BECAUSE IT HAS THIS

WHOLE OTHER PRODUCT USE OTHER THAN JUST HOLDING A CONTAINER, THEN IT SHOULD BE FOUND TO BE PRODUCT DESIGN, AND SECONDARY MEANING WOULD BE REQUIRED.

IT'S NO DIFFERENT THAN THE SITUATION WE HAVE HERE. WE NOT ONLY HAVE ALL THE EVIDENCE THAT WE PUT IN ON THIS MOTION AND THE PRELIMINARY INJUNCTION SHOWING ALL OF THESE OTHER USES; BUT IN FACT MR. AYKROYD, WHO IS THEIR PRINCIPAL, AS WE'VE NOTED IN OUR BRIEF, HAS SAID ANY NUMBER OF TIMES THAT IT'S VERY NICE THAT PEOPLE ARE BUYING THE BOTTLE FOR THE BOTTLE, BUT WE WOULD LIKE THEM TO TASTE THE VODKA.

AND SO IN THIS CASE WHERE THE TRADEMARK OFFICE DENIED REGISTRATION ORIGINALLY ON THE GROUNDS OF ORNAMENTATION AND REQUIRING SECONDARY MEANING, IN LIGHT OF WHAT THE WALMART COURT SAID ABOUT BOTTLE DESIGNS OF THE KIND OF COCA-COLA AND THE ONE HERE, IN LIGHT OF THE FACT THAT THE NINTH CIRCUIT STATED THAT FROM ITS POSITION, THE BOTTLE DESIGN WAS PURE ORNAMENTATION, I THINK THAT ADDING ALL OF THAT TOGETHER, IT CERTAINLY DOES LOOK LIKE THE NINTH CIRCUIT LEFT OPEN THE QUESTION OF WHETHER OR NOT THIS IS PRODUCT DESIGN OR IT'S PACKAGING DESIGN.

AND FRANKLY, JUST ON THE BASIS OF THE WALMART CASE ALONE AND THE EVIDENCE THAT WE PUT BEFORE YOUR HONOR, I BELIEVE YOU CAN GRANT US SUMMARY JUDGMENT ON THAT ISSUE.

THE COURT: SINCE I DON'T HAVE SUMMARY JUDGMENT BEFORE ME AT THIS POINT.

MR. WEINBERG: RIGHT.

NOW, AS TO THE QUESTIONS THAT WERE ASKED OF COUNSEL BEFORE, AS I NOTED, THE BUT-FOR STANDARD IS A PATENT CONCEPT. BUT-FOR MATERIALITY DOES NOT EXIST IN TRADEMARK.

THE ONLY CASE THEY CITE IN FAVOR OF THAT PRINCIPLE IS THE THERASENSE CASE AND THE MORE RECENT FIRST MEDIA CASE, WHICH ARE PATENT CASES.

PATENTS AND TRADEMARK, EVEN THOUGH THEY SHARE THE SAME OFFICE IN WASHINGTON, D.C., ARE ENTIRELY DIFFERENT CREATURES; PATENT COMING FROM THE CONSTITUTION, TRADEMARKS FROM THE COMMON LAW AND THE LANHAM ACT. AND ONE DOES NOT APPLY THOSE STANDARDS TO THE SAME KINDS OF CASES.

WE LOOKED THROUGH ALL THE TRADEMARK CASES, INCLUDING IN RE BOSE AND NEUROVISION, THE MOST RECENT NINTH CIRCUIT CASE. THERE IS NO MENTION OF A BUT-FOR TEST. THERE IS NO MENTION OF INEQUITABLE CONDUCT. THERE'S NO MENTION OF ANY OF THESE PATENT CONCEPTS WHICH THE PLAINTIFFS HAVE HAD A LOT OF FUN MIXING UP AND SORT OF DOING AN APPLES AND ORANGES ROUTINE HERE.

THE FACT OF THE MATTER IS ALL WE HAVE TO SHOW IS THAT THERE WAS AN INTENTIONAL MISREPRESENTATION OR OMISSION THROUGH THE TRADEMARK OFFICE THAT WAS FRAUDULENT BECAUSE, HAD THE TRADEMARK OFFICE HAD THAT INFORMATION, IT WOULD NOT HAVE ISSUED THE REGISTRATION.

AND IT DOESN'T HAVE TO INVOLVE THE APPLICATION.

THERE IS A CASE THAT WAS NOT CITED IN OUR BRIEF, AND IF I MIGHT, I MIGHT CITE IT TO YOU BECAUSE IT'S A TRADEMARK OFFICE CASE THAT SAYS JUST THIS.

THE COURT: AND WHY WAS IT NOT CITED IN THE BRIEF?

MR. WEINBERG: WE DIDN'T FIND IT IN TIME IS THE HONEST ANSWER. IT'S A U.S.P.Q. CITE, AND WE DIDN'T FIND IT UNTIL RECENTLY.

IT'S SPACE BASE, INC., V. STADIS CORPORATION, 17 USPQ,2D 1216. AND WHAT THE BOARD SAYS IN THIS DISCUSSION IS THAT IF AN APPLICANT WILLFULLY AND DELIBERATELY FAILED TO INFORM THE TRADEMARK EXAMINER OF AN INACCURACY, THEN CANCELLATION SHOULD FOLLOW AND -- OR THERE SHOULD BE A SUSPENSION UNTIL THE FULL FACTS ARE IN.

THAT'S WHAT HAPPENED HERE. WHAT WE REALLY HAVE HERE IS A SITUATION WHERE A PARTY WAS ETHICALLY AND LEGALLY BOUND TO TELL THE TRADEMARK OFFICE THAT AN ARTICLE III COURT HAD SAID THIS DESIGN IS FUNCTIONAL. THEY DIDN'T DO IT.

AND NOT DOING IT IS NOT LIKE "I FORGOT TO DO IT." ONE DOES NOT FORGET ABOUT A DISTRICT COURT DECISION HOLDING THE VERY TRADE DRESS THAT'S INVOLVED IN THE CASE TO BE UNPROTECTABLE.

SOME INTENTIONAL DECISION WAS MADE NOT TO MAKE THAT DISCLOSURE. AND BY NOT MAKING THAT DISCLOSURE AND ALLOWING THAT REGISTRATION TO ISSUE AND NOW TRYING TO USE IT AS A SWORD IN THIS CASE IS ABSOLUTELY A FRAUD. AND THERE IS

A DUTY TO DISCLOSE BECAUSE IT'S A BINDING DECISION. IT'S LIKE IF YOU --

THE COURT: AND I THINK COUNSEL HAS ARGUED. I UNDERSTAND WHAT YOUR POSITION IS.

MR. WEINBERG: THANK YOU.

THE COURT: SO ARE YOU SATISFIED THAT YOU ADEQUATELY ADDRESSED THE RESPONSES GIVEN BY PLAINTIFF'S COUNSEL?

MR. WEINBERG: YEAH, I DO, BECAUSE A LOT OF THE RULES THEY SAY EXIST DON'T EXIST IN THE TRADEMARK LAW.

I MEAN, THE TRADEMARK LAW OF FRAUD IS VERY SIMPLE. INTENTIONAL MISREPRESENTATION OR OMISSION THAT IF THE TRADEMARK HAD KNOWN THE FACTS, WOULD HAVE RESULTED IN A DIFFERENT DECISION, AND THAT'S ALL WE HAVE TO PROVE.

AND BY THE WAY, THE ONLY PRESUMPTION THAT'S INVOLVED HERE IS A REBUTTABLE ONE, AND WE BELIEVE WE HAVE ABSOLUTELY REBUTTED THAT.

THE COURT: LET ME ASK JUST A QUESTION ABOUT THE NEW CASE THAT YOU CITED.

SO WHILE THAT CASE WAS NOT CITED IN THE BRIEFS, DID YOU CITE OTHER CASES THAT HAVE SIMILAR HOLDINGS?

MR. WEINBERG: WELL, NEUROVISION, WHICH IS THE NINTH CIRCUIT CASE, DOES SAY THAT MISREPRESENTATIONS ARE NOT NECESSARY. IT CAN BE AN OMISSION. AND IN FACT, THE CASE WAS REVERSED ON THE BASIS OF THE JURY INSTRUCTION DID NOT

PROPERLY INSTRUCT ABOUT THERE BEING AN INTENTIONAL OMISSION.

THE COURT: AND THAT IS A CASE THAT WAS CITED.

MR. WEINBERG: YES, BY BOTH PARTIES.

"MCCARTHY ON TRADEMARKS," THAT'S SORT OF THE LEADING TREATISE, ALSO DISCUSSES THE ISSUE OF OMISSIONS.

THESE CASES DON'T COME UP THAT OFTEN, FRANKLY.

THE COURT: I RAISE THE QUESTION JUST TO GET YOUR POSITION AS TO HOW SIGNIFICANT IS THE NEW CASE. SINCE IT WASN'T CITED IN THE PAPERS THEN, OF COURSE, THE PLAINTIFFS HAVE NOT HAD AN OPPORTUNITY TO RESPOND TO IT. AND SO SOMETIMES, WHEN THESE CASES COME UP, AT THIS STAGE AT THE ORAL ARGUMENT, EITHER SIDE MAY ASK THE COURT TO GIVE THEM AN OPPORTUNITY TO COMMENT FURTHER ON THE CASE.

IF IT IS A CASE THAT DOESN'T REALLY CHANGE THE LAW, THEN THE COURT PROBABLY NEEDS NO FURTHER BRIEFING, AND SO THAT'S WHY I RAISED IT.

SO IT SOUNDS LIKE YOUR RESPONSE IS WHILE IT'S A NEW CASE, THERE ARE OTHER CASES THAT WERE CITED IN THE PAPERS THAT STAND FOR THE SAME POSITION OR NOT.

MR. WEINBERG: LET ME BE REALLY CLEAR.

THERE HAVEN'T BEEN MANY CASES -- AS FAR AS I KNOW, THERE HAVEN'T BEEN ANY CASES OTHER THAN THE STADIS CASE AND THE NEUROVISION CASE WHICH SPECIFICALLY ADDRESS FRAUD IN THE CONTEXT OF DEALING DIRECTLY WITH A TRADEMARK EXAMINER.

SO TO THE EXTENT THAT YOUR HONOR FEELS THAT THAT

ISSUE NEEDS TO BE FURTHER BRIEFED, I'M OBVIOUSLY OPEN TO THAT. IT CLARIFIES RATHER THAN CHANGES IS REALLY THE RIGHT ANSWER.

THE COURT: ALL RIGHT. THANK YOU.

PLAINTIFF'S COUNSEL, WHY DON'T WE START WITH THE NEW CASE. IT MAY BE A CASE OF WHICH YOU ARE AWARE EVEN THOUGH IT'S NOT CITED IN THE PAPERS. YOU MAY BE PREPARED TO ADDRESS IT HERE. I WOULD LIKE TO HEAR YOUR COMMENTS.

MS. SULLIVAN: WITH REGARD TO THE NEW CASE, WE WOULD LIKE TO HAVE AN OPPORTUNITY TO REVIEW THE DECISION CITED BY ELEMENTS' COUNSEL AND REQUEST FURTHER BRIEFING IF WE BELIEVE IT IS NECESSARY.

THE COURT: ARE YOU FAMILIAR WITH THE CASE?

MS. SULLIVAN: I AM NOT, AT THIS POINT, FAMILIAR WITH THE CASE.

THE COURT: ALL RIGHT.

MS. SULLIVAN: SO THE NEXT POINT I WOULD LIKE TO ADDRESS IS THIS BUT-FOR MATERIALITY REQUIREMENT THAT COUNSEL BELIEVES DOES NOT APPLY IN TRADEMARK CASES.

IN FACT, IN RE BOSE, THE FEDERAL CIRCUIT STATED THAT ABSENT THE REQUISITE INTENT TO MISLEAD THE P.T.O., EVEN A MATERIAL REPRESENTATION WOULD NOT QUALIFY AS FRAUD.

SO IN THE IN RE BOSE CASE, THERE ARE SEVERAL INSTANCES WHERE, IN FACT, AS TO THE FACTOR OF SCIENTER, THE MATERIAL REPRESENTATION WAS NOT A MAJOR FACTOR IN THAT

PARTICULAR CASE.

BUT ON THE POINT OF INTENT TO DECEIVE, IN RE BOSE DID STATE THAT THE CASE LAW SUPPORTING PATENT SCIENTER LAW OR ANALYSIS APPLIES WITH EQUAL FORCE IN TRADEMARK LAW.

THEREFORE, THERE'S NOT THIS CLEAR DISTINCTION THAT ELEMENTS WISHES FOR THIS COURT TO BELIEVE THAT THERE IS THIS COMPLETELY SEPARATE SET OF LAW BETWEEN EQUITABLE CONDUCT OR FRAUD ON THE PATENT OFFICE AND EQUITABLE CONDUCT ON THE TRADEMARK OFFICE. IN FACT, SOME OF THOSE STANDARDS AND ANALYSES ARE USED INTERCHANGEABLY, AND THERE IS A REQUIREMENT FOR FRAUD ON THE TRADEMARK OFFICE TO HAVE A MATERIAL -- A BUT-FOR MATERIAL REPRESENTATION.

SO THE NEXT POINT I WOULD LIKE TO ADDRESS IS RELATED TO THAT MATERIAL, BUT-FOR MATERIAL REQUIREMENT AND THAT THAT -- THIS OMISSION THAT ELEMENTS' COUNSEL SEEMED TO WISH THIS COURT TO BELIEVE THAT IT CAN BE AN AFFIRMATIVE STATEMENT OR AN OMISSION.

IN NEUROVISION, WHAT REALLY HAPPENED WAS THE APPLICANT IN THAT CASE HAD SOME KNOWLEDGE OF PRIOR RIGHTS OF OTHER PARTIES IN THEIR TRADEMARK. AND WHEN THEY FILED THE TRADEMARK APPLICATION, THEY MADE THAT STATEMENT -- THE DECLARATION THAT WE DISCUSSED EARLIER THAT SAYS THAT HE OR SHE BELIEVES THAT APPLICANT SHOULD BE THE OWNER OF THE TRADEMARK OR SERVICE MARK SOUGHT TO BE REGISTERED TO THE BEST OF HIS OR HER KNOWLEDGE AND BELIEVE NO OTHER PERSON,

FIRM, CORPORATION, OR ASSOCIATION HAS THE RIGHT TO USE THAT MARK IN COMMERCE.

WHEN THEY SIGNED THAT PARTICULAR DECLARATION, IT WAS INCORRECT OR POSSIBLY INCORRECT BECAUSE THEY HAD SOME KNOWLEDGE OF A SUPERIOR RIGHT. BUT THAT KNOWLEDGE IS COMPLETELY SUBJECTIVE.

THE COURTS AND THE T.T.A.B. HAVE SAID EVEN IF YOU KNOW OF PRIOR RIGHTS -- AND THIS IS WHAT THE NINTH CIRCUIT HAS SAID IN NEUROVISION, TOO -- YOU HAVE TO HAVE A SUBJECTIVE BELIEF THAT THIRD PARTIES', OTHER PARTIES' REGISTRATIONS OR USE OF THE TRADEMARK IS SUPERIOR TO YOURS.

SO EVEN IN THOSE CIRCUMSTANCES, YOU SIGN THAT DECLARATION, AND THEREAFTER THAT DECLARATION CAN BE CONSIDERED TO BE FRAUD IF THAT'S WHAT LED TO THE ULTIMATE REGISTRATION.

AND ON TOP OF THAT, WHAT ELEMENTS REALLY IS ASKING THIS COURT TO DO HERE IS TO SAY THAT DURING THAT WINDOW OF TIME WHEN THIS COURT'S DISMISSAL ORDER WAS ON APPEAL THAT GLOBEFILL HAD THIS AFFIRMATIVE DUTY TO AMEND THAT DECLARATION. AND EVEN IF GLOBEFILL DID, IN FACT, AMEND THAT DECLARATION, ONCE THE NINTH CIRCUIT'S DECISION CAME DOWN, GLOBEFILL'S REGISTRATION WOULD HAVE ISSUED ANYWAY. THAT IS NOT A QUESTION ANYMORE.

AND ON TO THIS POINT ABOUT --

THE COURT: YOU MEAN AS A RESULT OF THE

NINTH CIRCUIT'S DECISION.

MS. SULLIVAN: RIGHT.

THE COURT: SO I THINK THE ARGUMENT HERE IS WAS THERE A DUTY TO DISCLOSE WHEN THIS COURT RULED?

AND THEN AGAIN WAS THERE A DUTY TO DISCLOSE WHEN THE NINTH CIRCUIT RULES ON SOMEBODY'S PART?

MS. SULLIVAN: RIGHT. AND ON TOP OF THAT, IN ORDER TO MEET THE BUT-FOR MATERIALITY TEST, ELEMENTS REALLY HAS TO ALLEGE THAT GLOBEFILL'S TRADEMARK APPLICATION WOULD HAVE NEVER ISSUED.

BUT THAT'S NOT THE CASE BECAUSE ACCORDING TO TRADEMARK EXAMINING RULES, ACCORDING TO SECTION 1217, A FINAL DECISION IS REQUIRED.

SO WHEN THIS COURT'S DECISION WAS ON APPEAL, THE EXAMINING ATTORNEY MAY HAVE ISSUED A SUSPENSION ORDER BUT -- IT'S IN THEIR DISCRETION TO DO SO, BUT THEY DON'T HAVE TO REJECT AND OUTRIGHT DENY GLOBEFILL'S APPLICATION ALTOGETHER.

WHAT THEY WOULD HAVE DONE WAS HAVE WAITED FOR THE NINTH CIRCUIT'S DECISION TO COME DOWN, AND ONCE THAT DECISION CAME DOWN AND REVERSED THE DISMISSAL ORDER, THE REGISTRATION WOULD HAVE MOVED FORWARD BECAUSE ALL OTHER ISSUES WERE RESOLVED, WHICH LEADS ME TO THIS ARGUMENT ABOUT THE NINTH CIRCUIT'S COMMENT ON ORNAMENTATION.

AS WE ADDRESS IN OUR BRIEF, WE BELIEVE ELEMENTS HAS COMPLETELY MISUNDERSTOOD THE LAW AND THE WAY THE WORD

"ORNAMENTATION" IS USED IN THE NINTH CIRCUIT AS OPPOSED TO THE WAY IT IS USED IN THE FEDERAL CIRCUIT.

IN THE NINTH CIRCUIT, THE WAY IT'S BEEN USED AND ALWAYS HAS BEEN USED IS TO ADDRESS THE ISSUE OF FUNCTIONALITY, NOT DISTINCTIVENESS.

IN THE NINTH CIRCUIT, AS IN THE MEMORANDUM ISSUED BY THE NINTH CIRCUIT IN THIS PARTICULAR CASE, IT SAID THAT IT IS PURELY ORNAMENTAL AND THEREFORE SERVES NO UTILITARIAN PURPOSE. AND LATER IN THE DECISION IT SAYS, "IT IS A PURELY ORNAMENTAL CONTAINER FOR ITS VODKA," ADDRESSING PURELY ON THE ISSUE OF ORNAMENTATION.

THIS LANGUAGE CAME FROM THE SUPREME COURT IN THE TRAFFIX DEVICES V. MARKETING DISPLAYS CASE AND ALSO THE NINTH CIRCUIT DECISION IN SECALT V. WUXI.

SO THE WAY THE NINTH CIRCUIT USES ORNAMENTATION IS PURELY IN THE AREA OF FUNCTIONALITY. AND THE REASON FOR THIS IS BECAUSE THE FEDERAL CIRCUIT FOLLOWS A DIFFERENT SET OF RULES FOR DETERMINING DISTINCTIVENESS IN TRADE DRESS CASES VERSUS DISTINCTIVENESS IN TRADEMARK CASES, WHEREAS THE NINTH CIRCUIT FOLLOWS THE ABERCROMBIE SPECTRUM OF DISTINCTIVENESS TEST FOR BOTH TRADEMARK AND TRADE DRESS.

IN THE FEDERAL CIRCUIT, THE WORD "ORNAMENTATION" REALLY COMES FROM THE TEST FOR DISTINCTIVENESS, WHICH WAS THE SEABROOK TEST, WHICH ASKS THE EXAMINING ATTORNEY AS WELL AS THE COURT -- THE FEDERAL CIRCUIT AND COURT TO DECIDE

WHETHER THE TRADE DRESS CLAIMED IS A COMMON SHAPE OR DESIGN, UNIQUE OR UNUSUAL IN A PARTICULAR FIELD, A MERE REFINEMENT OF A COMMONLY ADOPTED AND WELL-KNOWN FORM OF ORNAMENTATION FOR A PARTICULAR CLASS OF GOODS VIEWED BY THE PUBLIC AS A DRESS OR ORNAMENTATION FOR THE GOODS.

AND THEN FINALLY, THERE'S A FOURTH FACTOR, WHETHER IT'S CAPABLE OF CREATING A COMMERCIAL IMPRESSION DISTINCT FROM THE ACCOMPANYING WORDS.

SO THE WAY THE FEDERAL CIRCUIT USES "ORNAMENTATION" IS REALLY IN DETERMINING WHETHER OR NOT THIS DESIGN OR PACKAGING -- IS IT CAPABLE OF BEING A SOURCE INDICATOR, OR IS IT VIEWED MERELY AS ORNAMENTATION FOR A PARTICULAR CLASS OF GOODS OR DESIGN.

AND IN GOING THROUGH THIS TEST, THE EXAMINING ATTORNEY DECIDED THAT GLOBEFILL'S TRADE DRESS IS NOT ONLY PRODUCT PACKAGING, IT IS ALSO INHERENTLY DISTINCTIVE PRODUCT PACKAGING.

AND THERE IS NO MYSTERY AS TO THAT TELEPHONE CONVERSATION THAT OCCURRED BETWEEN US AND THE EXAMINING ATTORNEY THAT ALLOWED OUR APPLICATION TO PROCEED.

IN FACT, THE EXAMINING ATTORNEY ENTERED A NOTE IN THE RECORD, WHICH THEY HAVE PRODUCED IN ASSOCIATION WITH THIS MOTION, THAT STATED THAT THEY WITHDRAW THE REQUIREMENT FOR ORNAMENTATION AS A RESULT OF A T.T.A.B. DECISION IN RE WELDEBRAU.

IN THAT PARTICULAR CASE, THE T.T.A.B. FOUND A BEER BOTTLE WITH A BUMP IN THE NECK TO BE INHERENTLY DISTINCTIVE PRODUCT PACKAGING.

AS A RESULT OF THAT RECENT DECISION AND IN LIGHT OF THAT DECISION, THE EXAMINER WAS INFORMED OF THAT DECISION BY US. AND THE EXAMINER LOOKED AT IT AND SAID THAT WELL, IF THAT IS INHERENTLY DISTINCTIVE PRODUCT PACKAGING, THEN A SKULL-SHAPED BOTTLE FOR VODKA, WHICH IS THE ONLY ONE OF ITS KIND AT THE TIME -- IT'S CLEARLY PRODUCT PACKAGING THAT'S INHERENTLY DISTINCTIVE. AND THAT IS THE REASON THE EXAMINING ATTORNEY WITHDREW THE MERELY ORNAMENTAL DECISION.

AND EVEN IF IT IS CONSIDERED MERELY ORNAMENTAL, IF THE PRIMARY PURPOSE OF THE PRODUCT -- TRADE DRESS IS TO INDICATE SOURCE, WHICH IS WHAT GLOBEFILL'S BOTTLE DOES, THEN IT CAN STILL BE INHERENTLY DISTINCTIVE EVEN IF IT HAS SOME NOTION OF ORNAMENTATION.

SO WHAT ELEMENTS CITES TO AS THE NINTH CIRCUIT'S OPENING THE DOOR OF REJECTING GLOBEFILL'S REGISTRATION ON THE BASIS OF ORNAMENTATION IS COMPLETELY UNFOUNDED, AND IT'S JUST A MISUNDERSTANDING AND MISSTATING OF THE LAW AND TRYING TO CONFUSE THE TWO AREAS OF TRADE DRESS LAW, FUNCTIONALITY AND DISTINCTNESS, AND TRYING TO MESH THEM TOGETHER WHEN THEY DO NOT APPLY.

THE COURT: AT THIS TIME I'M JUST GOING TO ASK IF THE DEFENSE, SINCE IT'S A DEFENSE MOTION, HAS ANYTHING

FURTHER THAT YOU WOULD LIKE TO PLACE ON THE RECORD.

AND AS FAR AS THE NEW CASE IS CONCERNED, IF THE COURT FEELS THAT FURTHER BRIEFING IS NEEDED, THEN I'LL ADDRESS THAT AND GIVE THE PARTIES AN OPPORTUNITY TO DO SOME FURTHER BRIEFING.

AT THIS POINT, I'M NOT FAMILIAR WITH THE CASE. AND I DON'T KNOW IF I FEEL THAT ANY FURTHER BRIEFING WILL BE NEEDED IN LIGHT OF THE CASE. SO I'LL JUST REVIEW THE CASE AND MAKE THAT DECISION.

MS. SULLIVAN: YOUR HONOR, IF I MAY, I JUST WANTED TO ADDRESS ONE MORE POINT THAT COUNSEL MADE, WHICH WAS ON THE SECONDARY MEANING OF THE COCA-COLA BOTTLE EXAMPLE THAT HE PROVIDED FROM THE WALMART CASE.

THE WALMART CASE DOES TALK ABOUT THE DISTINCTION BETWEEN PRODUCT DESIGN AND PRODUCT PACKAGING; BUT WHEN IT COMES TO THE COCA-COLA BOTTLE, AS YOU SEE IN OUR BRIEF, WE DON'T BELIEVE THAT WALMART APPLIES, GIVEN THAT IT IS FOR DETERMINING, YOU KNOW, WHEN THE EXAMINING ATTORNEY FIRST RECEIVES AN APPLICATION TO DETERMINE WHETHER IT'S IN.

THE COURT: I THINK IT'S YOUR POSITION THAT NOTHING COUNSEL HAS SAID HERE WOULD CAUSE YOU TO CHANGE YOUR POSITION ON THAT.

MS. SULLIVAN: NOTHING THAT WOULD MAKE US CHANGE OUR POSITION ON THIS. AND THE COCA-COLA BOTTLE EXAMPLE DOESN'T APPLY WHEN IT'S ON PREMISES. WHEN PEOPLE GO TO A

BAR AND SEE OUR BOTTLE ON THE BACK BAR AND SAY, "I WANT THE VODKA FROM THAT BOTTLE BECAUSE I KNOW THAT'S CRYSTAL HEAD," THAT'S NOT AT ALL ADDRESSED. AND THIRD-PARTY TRADING OF IT AFTER THE FACT DOES NOT AT ALL DETERMINE WHAT WAS THE CUSTOMER MOTIVATION OR WHAT THE CUSTOMER SEES WHEN THEY FIRST SEE THE BOTTLE, WHETHER IT'S A SOURCE INDICATOR OR NOT.

SO WE DON'T BELIEVE THAT'S SUFFICIENTLY PLEADED AND THAT IT CAN BE SUFFICIENTLY PLEADED.

THE COURT: THANK YOU.

DEFENSE.

MR. WEINBERG: WELL, YOUR HONOR, I BELIEVE YOU MISSTATED THAT THIS WAS THE DEFENDANT'S MOTION, AND IT'S NOT. THIS IS THE PLAINTIFF'S MOTION.

THE COURT: I'M SORRY.

MR. WEINBERG: IT'S OKAY. I JUST WANTED TO MAKE THE RECORD CLEAR.

THE COURT: THEN I SHOULD GIVE THE PLAINTIFF THE FINAL WORD ON IT, BUT DO YOU HAVE SOMETHING FURTHER THAT YOU WISH TO PLACE ON THE RECORD?

MR. WEINBERG: WELL, THE PLAINTIFF JUST HAD SO MANY WORDS, IT'S HARD TO KNOW WHERE TO START, BUT LET ME JUST CLARIFY A FEW THINGS.

THE COURT: WELL, TO THE EXTENT THAT MUCH OF THIS HAS BEEN ADDRESSED IN THE PARTIES' PAPERS, IT'S NOT

NECESSARY TO READDRESS IT HERE. BUT IF PLAINTIFF DID SAY SOMETHING TO WHICH YOU FEEL SOME RESPONSE SHOULD BE NEEDED IN ORDER TO BE CLEAR FOR THE COURT WHAT YOUR POSITION IS, THEN I GIVE YOU AN OPPORTUNITY TO DO SO.

MR. WEINBERG: THANK YOU, YOUR HONOR. I APPRECIATE IT.

ONE OF THE THINGS IS COUNSEL STATED THAT IN RE BOSE CORPORATION STATED A BUT-FOR TEST AND THAT IT SAID THAT PATENT AND TRADEMARK PRINCIPLES ARE INTERTWINED, AND THERE'S NOWHERE IN THE DECISION THAT IT SAYS THAT.

SECOND, IN THE NEUROVISION CASE, THE ISSUE -- AND THIS IS EXACTLY -- THIS IS THE NINTH CIRCUIT REVERSED. IT SAID (READING:)

"THE DISTRICT COURT ERRED BY INSTRUCTING THE JURY TO DETERMINE ONLY WHETHER NUVASIVE ADMITTED KNOWLEDGE OF N.M.P.'S PRIOR USE OF THE NEUROVISION MARK. THE PROPER INQUIRY IS WHETHER NUVASIVE WILLFULLY OMITTED KNOWLEDGE OF A SUPERIOR RIGHT."

(END QUOTED MATERIAL.)

MR. WEINBERG: SO WHAT WE'RE SAYING IS THAT WHAT THEY DID IS THE SAME THING. THERE WAS A WILLFUL OMISSION OF THIS COURT'S DECISION.

I WANTED TO CLARIFY THAT.

THE COURT: AND I THINK PLAINTIFF'S COUNSEL HAS JUST FOCUSED THE COURT ON THAT THE BASIS FOR THE MOTION, THE

ARGUMENT BEFORE THE COURT TODAY IS WHETHER PLAINTIFFS SHOULD HAVE CORRECTED THE AFFIDAVIT THAT HAD BEEN PROVIDED.

MR. WEINBERG: IF A FEDERAL COURT SAYS, "YOU'RE NOT ENTITLED TO TRADEMARK," YOU DON'T HAVE TO CORRECT THE DECLARATION BECAUSE THE CASE IS THROWN OUT.

SO THAT'S JUST SORT OF TWISTING THINGS A BIT BECAUSE THERE'S NO NEED TO CHANGE A DECLARATION FOR AN INVALID APPLICATION. THAT'S WHAT WOULD HAVE HAPPENED HERE.

AND SO WE'RE NOT ARGUING THAT IT WAS THEIR OBLIGATION TO CHANGE THE APPLICATION. WHAT WE'RE ARGUING --

THE COURT: THE AFFIDAVIT.

MR. WEINBERG: THE AFFIDAVIT. WELL, IT'S EITHER AN AFFIDAVIT OR A DECLARATION. I THINK THEY SUBMITTED A DECLARATION.

THE COURT: COUNSEL DESCRIBED IT AS AN AFFIDAVIT.

MR. WEINBERG: WE'LL GO WITH AFFIDAVIT, YOUR HONOR.

THERE'S NO OBLIGATION TO CHANGE AN AFFIDAVIT IF A FEDERAL COURT HAS SAID YOU ARE NOT ENTITLED TO PROTECTION. IT'S JUST OVER. UNLESS -- AND AS WE AGREE -- THE TRADEMARK OFFICE HAS SAID, "WELL, WE KNOW THAT YOU'VE APPEALED IT, AND SO WE'LL AWAIT SUSPENSION."

AND AS TO THE CITATION TO THE REFERENCE IN THE TRADEMARK MANUAL OF EXAMINING PROCEDURE RELATING TO WHETHER OR NOT A FINAL DECISION HAS BEEN RENDERED, IN THE CASES AND

IN THE LAW IT IS CLEAR THAT UNTIL A DISTRICT COURT'S DECISION IS OVERTURNED, THAT IS THE LAW.

YOU CAN'T ASK FOR HELP FROM THE TRADEMARK OFFICE IN A CASE WHERE YOU WANT TO USE A REGISTRATION, YOU KNOW, AND THEN NOT TELL THEM THAT THERE HAS BEEN A DECISION BY THE FEDERAL COURT.

THE COURT: AND I THINK COUNSEL'S MADE THAT ARGUMENT BOTH HERE AND IN THE PAPERS.

MR. WEINBERG: THANK YOU, YOUR HONOR.

I HAVE NOTHING ELSE.

THE COURT: ANYTHING FURTHER FROM ANYONE BEFORE THE COURT DEEMS THE MATTER SUBMITTED?

MS. SULLIVAN: I JUST HAVE ONE BRIEF POINT, AND I APOLOGIZE.

SO COUNSEL EARLIER STATED THAT THIS IS THE BIGGEST TYPE OF FRAUD CASE THERE IS IN THE TRADEMARK AREA OF LAW.

THE COURT: WHETHER IT'S THE BIGGEST OR NOT, I'M NOT SURE THAT THAT'S IMPORTANT HERE.

MS. SULLIVAN: WELL, WHAT I WOULD LIKE TO POINT OUT TO THIS COURT IS THAT SINCE THE IN RE BOSE DECISION CAME OUT IN AUGUST OF 2009, THE T.T.A.B. HAS NOT FOUND A SINGLE CLAIM OF FRAUD AS OF SEPTEMBER 24, 2012. SO IT'S BEEN OVER THREE YEARS. AND EVEN THOUGH THIS COURT'S DECISION WAS LAW DURING THE WINDOW OF TIME WHEN IT WAS ON APPEAL, IT WAS NOT GOING TO BE OUTRIGHT REJECTED BY THE TRADEMARK OFFICE. SO

WE DON'T THINK THAT POINT REALLY APPLIES HERE.

THANK YOU.

THE COURT: ALL RIGHT. THE MATTER IS DEEMED SUBMITTED.

AND HOPEFULLY WE'LL GET THE ORDER OUT TODAY ON THE PRELIMINARY INJUNCTION. BUT AS I INDICATED TO THE PARTIES, THE COURT IS DENYING THAT REQUEST, AND THE ORDER WILL BE CONSISTENT WITH THAT.

AS I PREVIOUSLY INDICATED AND THE ORDER WILL INDICATE, I DON'T FIND THAT PLAINTIFFS HAVE MADE THE SHOWING OF IRREPARABLE HARM.

THANK YOU.

MR. WEINBERG: YOUR HONOR, WE ALSO HAVE A C.M.C. SCHEDULED FOR TODAY.

THE COURT: STATUS CONFERENCE?

MR. WEINBERG: YEAH.

THE COURT: OKAY. AND DID YOU FILE A REPORT?

MR. WEINBERG: WE DID.

THE COURT: OKAY. WHY DON'T YOU JUST BE SEATED, THEN. I HAVE NOT READ THE REPORT; OR IF I HAVE, I MUST HAVE READ IT EARLIER, AND I DON'T HAVE IT WITH ME ON THE BENCH. SO I'LL FIND IT AND RETURN TO THE BENCH, AND WE CAN HAVE THAT CONFERENCE. THANK YOU.

(10:38 A.M., RECESS TAKEN.)

STATUS CONFERENCE

THE COURT: OKAY. WE'LL GO BACK ON THE RECORD.

AND THE COURT NOW HAS THE JOINT REPORT OF THE CONFERENCE OF THE PARTIES PURSUANT TO 26(F), AND WE RETURN TO THE RECORD FOR THIS DISCUSSION.

I HAVE READ THE REPORT, AND IT'S RECEIVED FOR PURPOSES OF THESE PROCEEDINGS.

AND THE PURPOSE FOR THIS HEARING IS JUST FOR THE COURT TO SET THE DATES WHICH WILL GOVERN THE PARTIES AS YOU CONDUCT YOUR DISCOVERY, FILE YOUR MOTIONS, AND HAVE THE SETTLEMENT CONFERENCE THAT'S REQUIRED PURSUANT TO THE COURT'S PROCEDURE.

THE COURT WILL JUST INDICATE FOR THE RECORD THAT THERE ARE AN AWFUL LOT OF DEPOSITIONS TO BE TAKEN IN THE CASE. WHAT I DON'T KNOW IS WHETHER ALL OF THOSE PARTIES TO BE DEPOSED ARE WITHIN THE JURISDICTION OF THE COURT, OUTSIDE THE JURISDICTION, INTERNATIONAL, ET CETERA. SO I'LL ASK THE PARTIES JUST TO ADDRESS THAT.

YOU DO INDICATE, I THINK, INITIAL DISCLOSURE WAS TO TAKE PLACE A DATE IN OCTOBER, AND THAT DATE HAS NOW PASSED. SO I JUST WANT TO KNOW HAS THAT BEEN DONE.

AND MAYBE A BIT MORE GUIDANCE AS TO WHEN THE WRITTEN DISCOVERY WOULD BE PROPOUNDED SO THAT THE COURT COULD BETTER MAKE A DETERMINATION AS TO WHEN THE DISCOVERY SHOULD BE COMPLETED.

YOU'VE ADDRESSED THE EXPERTS THAT YOU PLAN TO CALL. IT LOOKS LIKE BOTH SIDES WOULD AT LEAST RETAIN A SURVEY EXPERT AND A DAMAGE EXPERT. SO THE COURT CONCLUDES THAT THERE ARE LIKELY TO BE TWO EXPERTS PER SIDE, AND BOTH SIDES' EXPERT WOULD BE ADDRESSING THE SURVEY AS WELL AS DAMAGES.

YOUR SUGGESTION IS WHILE THIS IS NOT A COMPLEX CASE, THAT THE PRETRIAL CONFERENCE BE SET FOR SEPTEMBER OF NEXT YEAR, SO APPROXIMATELY A YEAR FROM NOW, A LITTLE LESS THAN A YEAR.

AND ONE SIDE HAS REQUESTED A JURY TRIAL. THE OTHER SIDE HAS NOT. BUT THE TIME ESTIMATE FOR TRIAL IS SEVEN TO TEN DAYS. AND I'M JUST LOOKING TO SEE WHETHER OR NOT YOU ACTUALLY SUGGESTED A DATE FOR TRIAL.

I DON'T THINK YOU DID. SO THE COURT JUST ASSUMES THAT IF THE PRETRIAL WERE TO TAKE PLACE IN SEPTEMBER, THAT THE TRIAL WOULD PROBABLY BE IN OCTOBER.

SO DO THE PARTIES WISH TO EITHER RESPOND TO THE COURT'S INQUIRY OR PUT ANYTHING FURTHER ON THE RECORD THAT THE COURT SHOULD CONSIDER IN SETTING DATES?

MR. LOOMIS: GOOD MORNING, YOUR HONOR. DENNIS LOOMIS, AND I'LL HANDLE THIS PART OF THE PROCEEDINGS.

WE DID MAKE OUR INITIAL DISCLOSURES. THERE ARE A NUMBER OF OTHER WITNESSES WHO ARE IN OTHER STATES. I BELIEVE THERE'S AT LEAST ONE, DAN AYKROYD, WHO'S A CANADIAN

CITIZEN, ALTHOUGH I DON'T KNOW THAT HE'S A CANADIAN RESIDENT.

AS FAR AS THE OTHER EXTRA-TERRITORIAL WITNESSES, I THINK THERE'S GOING TO BE ISSUES IN THAT REGARD, AND THERE WILL BE SOME TRAVELING INVOLVED.

AS FAR AS WRITTEN DISCOVERY, OUR INTENTION CERTAINLY IS TO PROPOUND WRITTEN DISCOVERY AS SOON AS PRACTICAL, AND IT'S IN PROCESS NOW.

I DON'T THINK WE HAVE ANY OTHER POINTS THAT WE WANT TO ADD TO THE POINTS IN THE SCHEDULING CONFERENCE, BUT WE DO CONCUR A TRIAL DATE IN OCTOBER WOULD CERTAINLY BE WITHIN OUR CONTEMPLATION.

THE COURT: ALL RIGHT. THANK YOU.

DEFENSE.

MR. WEINBERG: I CONCUR, WE'LL BE GETTING OUT DISCOVERY IF NOT THIS MONTH, CERTAINLY BY THE BEGINNING OF NEXT, AND COUNSEL WAS KIND ENOUGH TO ACCOMMODATE -- I HAVE A TWO-WEEK TRIAL IN ANOTHER DISTRICT WHICH WILL BE GOING FORWARD IN MAY. I ALSO HAVE MY 30TH ANNIVERSARY, AND I'LL BE GONE PART OF JULY, AND THEY'VE ALSO HELPED ME ACCOMMODATE THAT. THAT'S WHY WE PICKED THE DATES WE HAVE, AND OCTOBER CERTAINLY WORKS FOR US.

THE COURT: BOTH SIDES HAVE INDICATED YOU WOULD BE FILING SUMMARY JUDGMENT MOTIONS AFTER SOME DISCOVERY.

SO LET'S HAVE A LITTLE DISCUSSION ON THAT, WHETHER

YOU REALLY MEAN THAT YOU WOULD THINK IT MORE PRACTICAL TO COMPLETE ALL DISCOVERY INCLUDING EXPERT DISCOVERY BEFORE THESE MOTIONS ARE FILED; IS IT LIKELY YOU'LL FILE CROSS-MOTIONS FOR SUMMARY JUDGMENT, JUST BASICALLY MEANING THEY ARE DIRECTED TO THE SAME ISSUE, THEY'RE BEING FILED AT THE SAME TIME, NOTICED FOR HEARING AT THE SAME TIME.

IF THAT'S WHAT YOU'RE THINKING, YOU MAY -- AND I THINK IT WOULD BE HELPFUL IF YOU HAD A MEET AND CONFER AND DECIDED HOW TO BRIEF THOSE ISSUES.

SO MAYBE INSTEAD OF BOTH SIDES, MOTION, OPPOSITION, AND REPLY; YOU MAY DECIDE TO TRY TO IDENTIFY THE FACTS NOT IN DISPUTE ON WHICH SUMMARY JUDGMENT COULD BE GRANTED AND YOUR BRIEFS COME TO THE COURT ON THOSE ISSUES VERSUS THE FACTS THAT REMAIN IN DISPUTE.

I MEAN, I THINK YOUR POSITION WOULD BE THERE ARE NO FACTS IN DISPUTE; SO YOU GET SUMMARY JUDGMENT. BUT THE OTHER SIDE MAY DISAGREE WITH THAT.

SO RATHER THAN HAVE YOU SPEND A LOT OF TIME ON SUMMARY JUDGMENT THAT GETS DENIED BECAUSE THERE ARE MATERIAL ISSUES OF FACT IN DISPUTE, IT WOULD PROBABLY BE MORE BENEFICIAL TO THE COURT AND TO THE CLIENTS IF YOU IDENTIFIED THOSE ISSUES WHERE YOU AGREE ON THE FACTS, AND THEN YOU COULD FILE BRIEFS AS TO THE LAW ON THOSE ISSUES.

SO A MEET AND CONFER OF THIS TYPE WOULD BE HELPFUL BEFORE A LOT OF TIME IS SPENT BY YOU AND A LOT OF TIME IS

SPENT BY THE COURT TO FIND IT WASN'T HELPFUL.

MR. LOOMIS: YOUR HONOR, I THINK THAT MAKES EXCELLENT SENSE, AND WE CONCUR WITH THAT IF THE COURT HAS IN MIND A MEET AND CONFER THAT WOULD BE SPECIFICALLY FOR THE PURPOSES OF DISCUSSING UNDISPUTED FACTS AND CONFERRING ON TRYING TO STREAMLINE AND ORGANIZE THE SUMMARY JUDGMENT PRESENTATION SO THAT WE HAVE IT NARROWED DOWN TO LETTING YOU DECIDE THOSE THINGS THAT NEED TO BE DECIDED ONCE AS OPPOSED TO TWICE.

THE COURT: RIGHT. THAT'S WHAT I'M THINKING IS HELPFUL IN THESE CASE WHERE BOTH SIDES ARE FILING SUMMARY JUDGMENT MOTIONS DIRECTED TO THE VERY SAME ISSUE.

IN THIS CASE IN THIS REPORT, YOU IDENTIFIED WHAT THOSE ISSUES ARE, AND THOSE ARE ALL CONSISTENT WITH THE ARGUMENTS THAT WERE MADE THIS MORNING PLUS THE ARGUMENTS THAT HAVE BEEN PREVIOUSLY MADE IN THE CASE.

MR. WEINBERG: FROM A TIME PERSPECTIVE, THE ONLY THING WE MAY DO IS SUMMARY JUDGMENT ON LIABILITY AND NOT HAVE TO SPEND A LOT OF TIME AND MONEY ON THE DAMAGES SIDE OF THE CASE. BUT WE KNOW EACH OTHER FAIRLY WELL, AND WE'LL WORK THAT OUT.

MR. LOOMIS: YES.

THE COURT: WOULD YOU SAY YOU WOULD COMPLETE ALL OF THE DISCOVERY NECESSARY TO WHATEVER THE ISSUE IS BEFORE THE SUMMARY JUDGMENT MOTIONS ARE FILED?

MR. WEINBERG: THAT'S WHAT WE'RE THINKING.

MR. LOOMIS: I THINK THAT MAKES THE MOST SENSE. I AGREE, YOUR HONOR.

MR. WEINBERG: YOUR HONOR, SO IT'S CLEAR FOR THE RECORD, BOTH PARTIES WOULD LIKE A JURY TRIAL.

THE COURT: WELL, IT WOULD BE A JURY TRIAL ANYWAY UNLESS THE PARTY WHO REQUESTED THE JURY TRIAL WITHDREW THAT REQUEST.

SO HOW ABOUT THE SETTLEMENT. I DON'T KNOW THAT YOU ADDRESSED WHAT PROCEDURE SHOULD BE USED FOR SETTLEMENT PURPOSES OR NOT AND WHAT YOUR PLANS ARE IN THAT REGARD.

SO YOU DO HAVE TO MAKE A CHOICE -- PRIVATE MEDIATION, WHICH COULD INCLUDE THE ATTORNEY SETTLEMENT OFFICERS THAT THE COURT HAS A LIST OF WHO THOSE PERSONS ARE, AND MANY OF THEM HAVE EXPERTISE IN THIS AREA OF THE LAW. SO THAT'S A CHOICE YOU COULD MAKE AS WELL.

WOULD YOU SAY THAT YOU'D WANT TO DO THAT AFTER YOU'VE COMPLETED ALL DISCOVERY?

MR. LOOMIS: YES, YOUR HONOR. IN THIS CASE IN PARTICULAR, WE DO BELIEVE THAT AT THIS POINT THE PROSPECTS FOR SETTLEMENTS WOULD APPEAR BLEAK; AND THEREFORE, WE NEED TO GET THROUGH THE DISCOVERY SO THAT WE HAVE A CLEARER IDEA AND MAYBE A BETTER CHANCE AT THAT.

I APOLOGIZE. I AM, FRANKLY, CRESTFALLEN THAT WE DID NOT SPECIFICALLY INCLUDE AN EXPRESS ELECTION OF THE

SETTLEMENT OPTION UNDER THE RULES, BUT I BELIEVE WE BOTH AGREE OUR PREFERENCE WOULD BE FOR A NEUTRAL MEDIATION THROUGH A THIRD PARTY SERVICE --

MR. WEINBERG: THAT'S CORRECT, YOUR HONOR.

MR. LOOMIS: -- TO BE HELD AFTER DISCOVERY IS COMPLETED.

MR. WEINBERG: WELL, I DON'T KNOW ABOUT WHEN WE WOULD HAVE IT, BUT CERTAINLY PRIVATE MEDIATION.

MR. LOOMIS: WELL, WE COULD ALWAYS DO IT SOONER IF WE WANT.

THE COURT: ARE YOU THINKING THAT YOU WOULD ALSO WANT RULINGS ON THE SUMMARY JUDGMENT MOTIONS BEFORE THE SETTLEMENT PROCEDURE TOOK PLACE?

NOW, FOR SOME PARTIES -- AND I AM SURE YOU ALREADY KNOW THIS -- YOU MAY WANT THE SETTLEMENT TO TAKE PLACE BEFORE YOU FILE THOSE MOTIONS FOR SUMMARY JUDGMENT JUST TO SAVE THAT TIME. OTHER PARTIES FEEL THAT YOU NEED THE BENEFIT OF THE COURT'S RULING BEFORE YOU CAN TALK SETTLEMENT.

WHAT'S YOUR POSITION ON THAT?

MR. LOOMIS: YOUR HONOR, IN TERMS OF ESTABLISHING A DEADLINE, I THINK I WOULD PREFER THAT THE COURT SET THE DEADLINE TO FALL AFTER DISCOVERY IS COMPLETED; BUT AS COUNSEL INDICATES, WE DO HAVE A WORKING RELATIONSHIP.

IF EITHER OR BOTH OF US REACH A POINT IN THE CASE

WHERE WE THINK IT'S TIME AND THERE'S A PROSPECT TO ACHIEVE SOMETHING BY DOING IT SOONER, WE CERTAINLY COULD DO IT SOONER. BUT IN CASE THAT DOESN'T ARISE, IT MAKES SENSE TO HAVE THE DEADLINE SET AFTER DISCOVERY SO THAT WE DON'T HAVE TO COME BACK TO THE COURT AND PETITION FOR A CHANGE OF THAT DEADLINE.

THE COURT: HOW ABOUT THE MOTIONS. SO AFTER DISCOVERY, THAT'S WHAT I ASSUME. BUT PRIOR TO THE SUMMARY JUDGMENT MOTIONS OR AFTER THE --

MR. LOOMIS: AFTER THE MOTIONS AS WELL.

THE COURT: -- SUMMARY JUDGMENT MOTIONS?

MR. LOOMIS: BY THE SAME REASONING.

MR. WEINBERG: IN TERMS OF SETTING IT, YOUR HONOR, ALTHOUGH IT LIKELY WILL OCCUR EARLIER.

THE COURT: I DON'T RECALL AT THIS MOMENT WHETHER YOU INDICATE A DATE FOR EITHER THE HEARING OR FILING OF THE SUMMARY JUDGMENT MOTIONS.

MR. LOOMIS: NO, WE DID INDICATE THE CONTEMPLATION OF THE MOTIONS AND INDICATE IT WOULD BE -- ELEMENTS SAID THAT THEY INTENDED TO FILE IT AFTER SOME DISCOVERY HAS BEEN CONDUCTED, AND A DATE FOR HEARING WILL BE SET AFTER DISCOVERY COMMENCES. THAT WAS ELEMENTS' VIEW.

THE COURT: AND THEN THE FACT AND EXPERT DISCOVERY COMPLETION DATE.

IN ORDER TO HAVE A TRIAL IN OCTOBER -- SO WE'RE

KIND OF WORKING BACKWARDS AND SAYING THE PRETRIAL WOULD BE SOMETIME IN SEPTEMBER; THE TRIAL WOULD BE IN OCTOBER; THE SETTLEMENT CONFERENCE WITH THE PRIVATE MEDIATOR PROBABLY IN AUGUST; THE MOTIONS PROBABLY IN JULY -- JUNE OR JULY. SO THAT WOULD MEAN THAT THE DISCOVERY COMPLETION DATE WOULD HAVE TO BE AROUND APRIL OR MAY.

SO IS THAT WHAT YOU WERE THINKING?

MR. LOOMIS: WE HAD AGREED ON A NOMINAL OR A TARGET DATE OF JUNE IN THE REPORT, BUT GIVEN THE REVERSE CHRONOLOGY YOU OUTLINED, IT PROBABLY IS MORE REALISTIC AND DOABLE FOR US TO TARGET FOR MAY.

IS THAT CONSISTENT WITH YOUR TRIAL CONFLICTS TO LOOK AT A MAY DISCOVERY CUTOFF?

MR. WEINBERG: THE ONLY REASON WE'D ASKED FOR JUNE IS BECAUSE I'LL PROBABLY BE COMPLETELY TIED UP THROUGHOUT MAY. IT'S A VERY LARGE CASE.

THE COURT: IN OTHER WORDS, YOU THINK THE NON-EXPERT DISCOVERY COMPLETION DATE SHOULD BE A JUNE DATE RATHER THAN IN MAY?

MR. WEINBERG: YES, YOUR HONOR, TOWARD THE MIDDLE OF JUNE.

THE COURT: THEN THE EXPERT DISCOVERY COMPLETION ABOUT A MONTH AFTER THE FACT DISCOVERY COMPLETION?

MR. LOOMIS: YES, THAT WOULD WORK.

MR. WEINBERG: YES.

THE COURT: ALL RIGHT. THEN THE COURT WOULD SET THE SCHEDULE AS FOLLOWS:

THE NON-EXPERT DISCOVERY COMPLETION DATE NO LATER THAN JUNE 15, 2013;

THE EXPERT DISCOVERY COMPLETION DATE JULY 15 -- NO LATER THAN JULY 15, 2013.

THAT WILL BE FOLLOWED BY THE MOTIONS.

AND I WILL SET A HEARING DATE RATHER THAN A FILING DATE. SO THE HEARING DATE, I WOULD PROPOSE AN AUGUST DATE.

AND I WOULD ASK THE CLERK TO ASSIST US WITH THE DATE.

THE SETTLEMENT PROCEDURE, THEN, WOULD TAKE PLACE -- IT WOULD PROBABLY BE SEPTEMBER.

THE PRETRIAL CONFERENCE, THEN, JUST BECAUSE OF THE LOCAL RULES THEMSELVES, THE MEET AND CONFER, AND WHEN THE MEMO OF CONTENTIONS OF FACT AND LAW HAVE TO BE FILED, I THINK PROBABLY AN OCTOBER DATE.

THAT WOULD THEN PUT YOUR TRIAL -- AND THE TRIAL COULD STILL BE IN THE LATTER PART OF OCTOBER.

SO THAT'S WHAT THE COURT HAS IN MIND.

I WOULD ASK THE CLERK TO GIVE US -- AND I'M NOT LOOKING AT A CALENDAR NOW -- A HEARING DATE FOR MOTIONS IN AUGUST. WE'LL TAKE A MONDAY, AND IT SHOULD BE MID-AUGUST.

THE CLERK: THAT WOULD BE AUGUST 19TH.

THE COURT: THAT WOULD BE AT 10 A.M.

THE SETTLEMENT CONFERENCE, THEN, SHOULD TAKE PLACE I WOULD SAY NO LATER THAN ABOUT A MONTH LATER, WHICH I'D SAY SEPTEMBER 19TH OR 20TH.

IS THAT A WEEKDAY?

THE CLERK: THAT'S A FRIDAY.

THE COURT: SEPTEMBER 19TH?

THE CLERK: SEPTEMBER 19TH IS A THURSDAY.

THE COURT: OKAY. SEPTEMBER 19TH.

THE PRETRIAL CONFERENCE WOULD BE IN OCTOBER. I THINK WE CAN JUST HAVE A WEEK BETWEEN THE PRETRIAL CONFERENCE AND THE TRIAL. SO MID-OCTOBER.

THE CLERK: OCTOBER 7, AND THEN THE TRIAL COULD BE OCTOBER 22ND.

THE COURT: OCTOBER 7, AND THAT WOULD BE AT 2:30 FOR THE PRETRIAL?

THE CLERK: YES.

THE COURT: THEN THE TRIAL WOULD BE OCTOBER --

GIVE ME THE DATE AGAIN.

THE CLERK: 22ND.

THE COURT: -- THE 22ND. THAT WOULD BE AT 10 A.M.

OKAY. SO THOSE ARE THE DATES. I'LL REPEAT THEM.

NON-EXPERT DISCOVERY COMPLETION DATE, JUNE 15.

EXPERT DISCOVERY COMPLETION, JULY 15.

LAST DATE FOR HEARING OF MOTIONS, AUGUST 19. THEY'LL BE NOTICED FOR 10 A.M.

SETTLEMENT PROCEDURE TO TAKE PLACE NO LATER THAN SEPTEMBER 19. YOU CAN CERTAINLY DO IT SOONER, AND YOU CAN FILE YOUR MOTIONS SOONER AS WELL.

THESE ARE NO-LATER-THAN DATES.

THE PRETRIAL CONFERENCE WOULD BE HELD ON OCTOBER 7 AT 2:30.

AND THE TRIAL OCTOBER 22ND AT 10 A.M.

MR. WEINBERG: YOUR HONOR, IF I COULD JUST CHECK ON THE DATES OF THE JEWISH HIGH HOLIDAYS.

THE COURT: THAT'S A GOOD IDEA.

MR. WEINBERG: IT MIGHT BE IN OCTOBER. I'M JUST NOT SURE YET.

THE COURT: SEPTEMBER, OCTOBER.

SO WHY DON'T WE -- I'LL INCLUDE THESE DATES IN THE ORDER BUT GIVE COUNSEL THE OPPORTUNITY TO CONFER ABOUT THE DATES. IF YOU FEEL THAT DATES NEED TO BE CHANGED IN SOME WAY TO ACCOMMODATE SOMEONE'S SCHEDULE, YOU CAN CERTAINLY FILE A STIPULATION TO THAT EFFECT.

MR. WEINBERG: I'M TOLD BY MY ASSOCIATE THAT WE'RE OKAY.

THE COURT: SO THESE DATES APPEAR TO BE FINE. WE WILL ISSUE A MINUTE ORDER THAT CONTAINS THE DATES.

AND JUST A COUPLE OF OTHER THINGS, THE DATES THAT I HAVE INDICATED ARE NO-LATER-THAN, LIKE THE DISCOVERY COMPLETION, FACT DISCOVERY.

THAT MEANS THAT IF THERE ARE MOTIONS TO COMPEL -- HOPEFULLY, THERE ARE NONE -- THAT YOU WOULD NEED TO FILE THOSE MOTIONS, GET A RULING ON THOSE MOTIONS, AND CONDUCT THAT DISCOVERY SO THAT IT IS COMPLETED NO LATER THAN JUNE 15TH OF 2013.

MR. LOOMIS: UNDERSTOOD.

MR. WEINBERG: THANK YOU, YOUR HONOR.

THE COURT: ALL RIGHT. THANK YOU.

(11:18 A.M., PROCEEDINGS CONCLUDED.)

--OOO--

CERTIFICATE

I HEREBY CERTIFY THAT PURSUANT TO SECTION 753, TITLE 28, UNITED STATES CODE, THE FOREGOING IS A TRUE AND CORRECT TRANSCRIPT OF THE STENOGRAPHICALLY REPORTED PROCEEDINGS HELD IN THE ABOVE-ENTITLED MATTER AND THAT THE TRANSCRIPT PAGE FORMAT IS IN CONFORMANCE WITH THE REGULATIONS OF THE JUDICIAL CONFERENCE OF THE UNITED STATES.

DATED THIS 14TH DAY OF MARCH, 2013.

/S/ MARY RIORDAN RICKEY
MARY RIORDAN RICKEY
OFFICIAL COURT REPORTER